

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

WS-03449 A

Sewer



THE SEDONA VENTURE WASTEWATER TREATMENT PLANT
% MANUFACTURED HOME COMMUNITIES, INC.
2 NORTH RIVERSIDE PLAZA, STE 800
CHICAGO, IL 60606

ANNUAL REPORT

RECEIVED

APR 13 2007

FOR YEAR ENDING

AZ CORP COMM
Director Utilities

| | | |
|----|----|------|
| 12 | 31 | 2006 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
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|-------|----|

5807

COMPANY INFORMATION

| | | |
|--|--|--|
| Company Name (Business Name) <u>EQUITY LIFESTYLE PROPERTIES, INC</u> <u>DBA THE SEDONA VENTURE WATER COMPANY</u> | | |
| Mailing Address <u>2 N. RIVERSIDE PLAZA</u> (Street) | | |
| <u>CHICAGO</u> (City) | <u>ILLINOIS</u> (State) | <u>60606</u> (Zip) |
| <u>(312) 279-1400</u> Telephone No. (Include Area Code) | <u>(312) 279-1710</u> Fax No. (Include Area Code) | <u>N/A</u> Pager/Cell No. (Include Area Code) |
| Email Address <u>HAZEL-SALES@MACHOMES.COM</u> | | |
| Local Office Mailing Address <u>SEDONA SHADOWS 6770 W. US HIGHWAY 89-A</u> (Street) | | |
| <u>SEDONA</u> (City) | <u>AZ</u> (State) | <u>86336</u> (Zip) |
| <u>(520) 282-1232</u> Local Office Telephone No. (Include Area Code) | <u>(520) 282-0093</u> Fax No. (Include Area Code) | <u>N/A</u> Pager/Cell No. (Include Area Code) |
| Email Address <u>N/A</u> | | |

MANAGEMENT INFORMATION

| | | | | | |
|--|--|--|---|-----------------------|--|
| Management Contact: <u>RON BUNCE</u> (Name) | | | <u>REGIONAL VICE PRESIDENT</u> (Title) | | |
| <u>7310 N. 16th ST. SUITE 105 PHOENIX</u> (Street) | | | <u>AZ</u> (State) | <u>85020</u> (Zip) | |
| <u>(602) 674-5690</u> Telephone No. (Include Area Code) | <u>(602) 674-5699</u> Fax No. (Include Area Code) | <u>N/A</u> Pager/Cell No. (Include Area Code) | | | |
| Email Address <u>N/A</u> | | | | | |
| On Site Manager: <u>LEN OTLEY</u> (Name) | | | | | |
| <u>6770 W. US HIGHWAY 89-A SEDONA</u> (Street) | | | <u>AZ</u> (State) | <u>86336</u> (Zip) | |
| <u>(520) 282-1232</u> Telephone No. (Include Area Code) | <u>(520) 282-0093</u> Fax No. (Include Area Code) | <u>N/A</u> Pager/Cell No. (Include Area Code) | | | |
| Email Address <u>N/A</u> | | | | | |

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: THE PRENTICE HALL CORPORATION SYSTEM

(Name)

3636 N. CENTRAL AVE. PHOENIX

(Street)

(City)

AZ

(State)

85012

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: DAVID FELL

(Name)

2 N. RIVERSIDE PLAZA

(Street)

CHICAGO

(City)

IL

(State)

60606

(Zip)

(312) 279-1652

Telephone No. (Include Area Code)

(312) 279-1653

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☒ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe)

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---------------------------------|--------------------------|-------------------------------------|--------------------------|
| 351 | Organization | 792 | | |
| 352 | Franchises | | | |
| 353 | Land and Land Rights | 14,779 | | |
| 354 | Structures and Improvements | 270,378 | | |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers – Force | 42,732 | | |
| 361 | Collection Sewers – Gravity | 3,963 | | |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | 9,408 | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | 63,972 | | |
| 380 | Treatment and Disposal Equip. | 391,502 | | |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | 5,141 | | |
| 390 | Office Furniture and Equipment | 800 | | |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | | | |
| 394 | Laboratory Equipment | 2,064 | | |
| 395 | Power Operated Equipment | 35,633 | | |
| 398 | Other Tangible Plant | 68,350 | | |
| | TOTALS | 909,514 | 715,418 | 194,096 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

CALCULATION OF DEPRECIATION EXPENSE

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|---------------------------------|-------------------|-----------------------------|----------------------------|
| 351 | Organization | 792 | 51. | see |
| 352 | Franchises | | | attached |
| 353 | Land and Land Rights | 14,779 | | schedule |
| 354 | Structures and Improvements | 270,378 | | |
| 355 | Power Generation Equipment | | | |
| 360 | Collection Sewers – Force | 42,732 | | |
| 361 | Collection Sewers – Gravity | 3,963 | | |
| 362 | Special Collecting Structures | | | |
| 363 | Services to Customers | | | |
| 364 | Flow Measuring Devices | 9,408 | | |
| 365 | Flow Measuring Installations | | | |
| 370 | Receiving Wells | 103,972 | | |
| 380 | Treatment and Disposal Equip. | 391,502 | | |
| 381 | Plant Sewers | | | |
| 382 | Outfall Sewer Lines | | | |
| 389 | Other Plant and Misc. Equipment | 5,141 | | |
| 390 | Office Furniture and Equipment | 800 | | |
| 391 | Transportation Equipment | | | |
| 393 | Tools, Shop and Garage Equip. | | | |
| 394 | Laboratory Equipment | 2,064 | | |
| 395 | Power Operated Equipment | 35,033 | | |
| 398 | Other Tangible Plant | 108,350 | | |
| | TOTALS | 909,514 | | 42,209 |

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

BALANCE SHEET

| Acct No. | ASSETS | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|-------------|---|---|------------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 134,674 | \$ 167,784 |
| 132 | Special Deposits | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 8,387 | 142 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | 15,251 | 14,817 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 158,312 | \$ 182,743 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 855,783 | \$ 909,514 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | (671,905) | (715,418) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 183,818 | \$ 194,096 |
| | TOTAL ASSETS | \$ 342,130 | \$ 376,839 |

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT COMPANY

BALANCE SHEET (CONTINUED)

| Acct No. | LIABILITIES | BALANCE AT BEGINNING OF TEST YEAR | BALANCE AT END OF YEAR |
|-------------|---|---|------------------------------|
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ | \$ |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | | |
| 236 | Accrued Taxes | 209 | 161 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | 30,860 | 43,922 |
| | TOTAL CURRENT LIABILITIES | \$ 31,069 | \$ 43,761 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ | \$ |
| | DEFERRED CREDITS | | |
| 252 | Advances in Aid of Construction | \$ | \$ |
| 253 | Other Deferred Credits | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ | \$ |
| | TOTAL LIABILITIES | \$ 31,069 | \$ 43,761 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ | \$ |
| 211 | Other Paid in Capital | | |
| 215 | Retained Earnings | | |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 311,061 | 333,078 |
| | TOTAL CAPITAL | \$ 311,061 | \$ 333,078 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 342,130 | \$ 376,839 |

COMPANY NAME

SEDUNA VENTURE WASTEWATER TREATMENT PLANT

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|-------------------------------------|------------|--------------|
| 521 | Flat Rate Revenues | \$ | \$ |
| 522 | Measured Revenues | 223,650 | 225,206 |
| 536 | Other Wastewater Revenues | | |
| | TOTAL REVENUES | \$ 223,650 | \$ 225,206 |
| | OPERATING EXPENSES | | |
| 701 | Salaries and Wages | \$ | \$ |
| 710 | Purchased Wastewater Treatment | | |
| 711 | Sludge Removal Expense | 16,120 | 19,158 |
| 715 | Purchased Power | 378 | |
| 716 | Fuel for Power Production | 145 | |
| 718 | Chemicals | | 1,504 |
| 720 | Materials and Supplies | 9,898 | 9,397 |
| 731 | Contractual Services – Professional | 90,835 | 88,537 |
| 735 | Contractual Services – Testing | 17,992 | 18,572 |
| 736 | Contractual Services – Other | 490 | 933 |
| 740 | Rents | | |
| 750 | Transportation Expense | | |
| 755 | Insurance Expense | 231 | |
| 765 | Regulatory Commission Expense | 811 | 62 |
| 775 | Miscellaneous Expense | 9190 | 2864 |
| 403 | Depreciation Expense | 42,011 | 42,209 |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | 9,601 | 9436 |
| 409 | Income Taxes | | |
| | TOTAL OPERATING EXPENSES | \$ 197,162 | \$ 192,732 |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | 59 | |
| 427 | Interest Expense | | |
| | TOTAL OTHER INCOME/EXPENSE | \$ 59 | \$ - |
| | NET INCOME/(LOSS) | \$ 26,429 | \$ 32,474 |

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

N/A

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

| | |
|---|---------------------------------|
| TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.) | <u>SEQUENCING BATCH REACTOR</u> |
| DESIGN CAPACITY OF PLANT (Gallons Per Day) | <u>100,000</u> |

LIFT STATION FACILITIES

| Location | Quantity of Pumps | Horsepower Per Pump | Capacity Per Pump (GPM) | Wet Well Capacity (gals) |
|---|-------------------|---------------------|-------------------------|--------------------------|
| <u>1/ST#1 - RED MOON DR & SUNSET HILLS</u> | <u>2</u> | <u>7.5</u> | <u>110</u> | <u>4,000</u> |
| <u>1/ST#2 - SUNSET HILLS & YELLOW SKY WAY</u> | <u>2</u> | <u>4.5</u> | <u>85</u> | <u>5,000</u> |
| <u>1/ST#3 - WWT# - 115 YELLOW SKYWAY</u> | <u>2</u> | <u>0.5</u> | <u>60</u> | <u>3,500</u> |
| | | | | |
| | | | | |
| | | | | |

FORCE MAINS

| Size | Material | Length (Feet) |
|---------------|---------------------|---------------|
| <u>4-inch</u> | <u>Sch - 80 PVC</u> | <u>422</u> |
| <u>6-inch</u> | | |
| | | |
| | | |

MANHOLES

| Type | Quantity |
|-----------------|---------------------|
| <u>Standard</u> | <u>55</u> |
| <u>Drop</u> | <u>3.5' to 5.0'</u> |
| | |

CLEANOUTS

| Quantity |
|----------|
| <u>5</u> |
| |
| |

COMPANY NAME

SEDONA VENTURE WASTEWATER TREATMENT PLANT

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**COLLECTION MAINS**

| Size (in inches) | Material | Length (in feet) |
|---------------------|------------|---------------------|
| 4 | Sch 80 PVC | 3,274 |
| 6 | Sch 80 PVC | 422 |
| 8 | Sch 80 PVC | 12,197 |
| 10 | | |
| 12 | | |
| 15 | | |
| 18 | | |
| 21 | | |
| 24 | | |
| 30 | | |
| | | |

SERVICES

| Size (in inches) | Material | Quantity |
|---------------------|----------|----------|
| 4 | PVC | 272 |
| 6 | | |
| 8 | | |
| 12 | | |
| 15 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

| | |
|---|---|
| SOLIDS PROCESSING AND HANDLING FACILITIES | AEROBIC DIGESTER, SLUDGE HAULER |
| DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.) | VACUUM REGULATED GAS CHLORINATED SYSTEM |
| FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | RAPID SAND / GRAVEL FILTER |
| STRUCTURES (Buildings, Fences, Etc.) | 28' X 12' WOODEN FILTER BUILDING 10' X 12' LABORATORY |
| OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.) | VARIOUS LAB EQUIPMENT AND TOOLS (2) STANDBY GENERATORS |

COMPANY NAME

SEDONA VENTURE WASTEWATER TREATMENT PLANT

WASTEWATER FLOWS

| MONTH/YEAR (Most Recent 12 Months) | NUMBER OF SERVICES | TOTAL MONTHLY SEWAGE FLOW | SEWAGE FLOW ON PEAK DAY |
|---------------------------------------|-----------------------|------------------------------|----------------------------|
| JANUARY 2006 | 272 | 1,068,476 | 43,358 |
| FEBRUARY 2006 | 272 | 1,013,739 | 40,744 |
| MARCH 2006 | 272 | 1,074,610 | 43,355 |
| APRIL 2006 | 272 | 1,282,364 | 48,740 |
| MAY 2006 | 272 | 1,341,262 | 49,204 |
| JUNE 2006 | 272 | 1,164,108 | 55,081 |
| JULY 2006 | 272 | 1,417,924 | 51,356 |
| AUGUST 2006 | 272 | 1,397,802 | 50,573 |
| SEPTEMBER 2006 | 272 | 1,200,322 | 48,080 |
| OCTOBER 2006 | 272 | 1,276,127 | 51,052 |
| NOVEMBER 2006 | 272 | 1,131,186 | 49,017 |
| DECEMBER 2006 | 272 | 1,091,624 | 47,671 |

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

| | |
|---|---|
| Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.) | SURFACE WATER DISCHARGE TO DRY CREEK |
| Wastewater Inventory Number (all wastewater systems are assigned an inventory number) | 101755 |
| Groundwater Permit Number | N/A |
| ADEQ Aquifer Protection Permit Number | P-101755 |
| ADEQ Reuse Permit Number | N/A |
| EPA NPDES Permit Number | AZ-0021807 |

STATISTICAL INFORMATION

| | | |
|---------------------------------|-------------------|---------|
| Total number of customers | <u>272</u> | |
| Total number of gallons treated | <u>14,527,544</u> | gallons |

COMPANY NAME SEDONA VENTURE WASTEWATER YEAR ENDING 12/31/2006
TREATMENT PLANT
INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A
Estimated or Actual Federal Tax Liability N/A

State Taxable Income Reported N/A
Estimated or Actual State Tax Liability N/A

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

COMPANY NAME SEDONA VENTURE WASTEWATER YEAR ENDING 12/31/2006
TREATMENT PLANT

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 9435.96

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Taxes

APR 13 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED
OF THE

| |
|--------------------------------|
| COUNTY OF (COUNTY NAME) |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

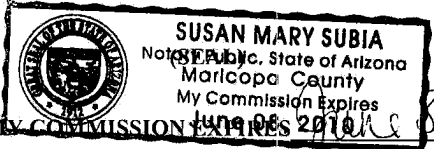

SIGNATURE OF OWNER OR OFFICIAL
602-674-5690
TELEPHONE NUMBER

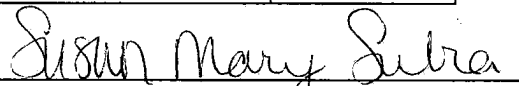
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

| | |
|-------------|----------|
| COUNTY NAME | Maricopa |
| MONTH | April |
| YEAR | 2007 |


SUSAN MARY SUBIA
Notary Public, State of Arizona
Maricopa County
My Commission Expires June 08, 2010


SIGNATURE OF NOTARY PUBLIC

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APR 13 2007

**AZ CORP COMM
Director Utilities**

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

| |
|--------------------------------|
| COUNTY OF (COUNTY NAME) |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**FOR THE YEAR ENDING**

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 225,206

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
602-674-5690
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

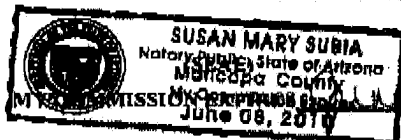
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

18th

DAY OF

| | |
|-------------|---------------------|
| COUNTY NAME | <u>Maricopa</u> |
| MONTH | <u>April</u> , 2007 |

8.8610

[Signature]
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 18 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------|-------|
| COUNTY OF (COUNTY NAME) | |
| NAME (OWNER OR OFFICIAL) | TITLE |
| COMPANY NAME | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 225,206(THE AMOUNT IN BOX AT LEFT
INCLUDES \$

IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED,

X

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
602-674-5690
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

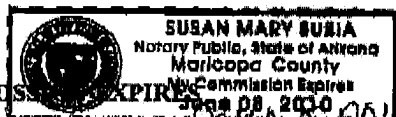
10th

DAY OF

| | |
|--------------------|------------------|
| NOTARY PUBLIC NAME | SUSAN MARY SUBIA |
| COUNTY NAME | Maricopa |
| MONTH | April |
| YEAR | 2007 |

(SEAL)

MY COMMISSION



X

[Signature]
SIGNATURE OF NOTARY PUBLIC

Henry Thinks
by subject me

MANUFACTURED HOME COMMUNITIES INC.
DBA SEDONA VENTURE WATER & SEWER CO.

1791

Date 3-8-06

11-35/1210 CA

Pay to the
order of

Yavapai County Treasurer

\$ 2172.29

Two thousand one hundred seventy-two & 29/100

Dollars

Security features
are indicated
on back.

Bank of America

San Francisco, California



For

05 2nd Installment Prop Tax

Joseph Lucas

660010 1781

00001791 21000358 12333 10619

MANUFACTURED HOME COMMUNITIES INC.
DBA SEDONA VENTURE WATER & SEWER CO.

SEWER

1792

Date 3-8-06

11-35/1210 CA

Pay to the
order of

Yavapai County Treasurer

\$ 4942.98

Four thousand nine hundred forty-two & 98/100

Dollars

Security features
are indicated
on back.

Bank of America

San Francisco, California



For

05 2nd Installment Prop Tax

Joseph Lucas

660010 1781

00001792 21000358 12333 10619

Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

Make your check payable to and mail to:

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2005. Delinquent interest will be waived.

PAYMENT INSTRUCTIONS

| | | |
|----------|----------|--------|
| 9,885.96 | 9,435.90 | 450.06 |
|----------|----------|--------|

THIS IS A
CALENDAR YEAR
BILL

Hoss D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

This is the only notice you will receive.

408-29-041 36,000

1
TOTAL VALUE OF OPERATING PROPERTY

142909

[illegible]

2005 PROPERTY TAX NOTICE

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY
Make check payable to:
Ross D. Jacobs
Yavapai County Treasurer

TO PAY 2ND HALF PAY 4,942.98



9532097004


Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

2005 SECOND HALF PAYMENT COUPON
Due March 1, 2006

HC OPERATING LTD PARTNERSHIP

53 20 970 4 142900

Delinquency Date Second Half Payment
Penalty for late payment is 16% per year
Accrued monthly as of the 1st day of the month
for payments postmarked after 5:00 P.M.
May 1, 2006 (ARS 42-18052 and ARS 42-
18053).

2005 9532097004 2 00080098859600000494298

2006 FIRST HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

Payment in U.S. FUNDS ONLY

Due October 1, 2006

ELS, INC. DBA SEDONA VENTURE SEWER

953-20-970 4 0150895

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid in full using the first payment coupon, no later than **November 1, 2006 at 5:00 p.m.**

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31, 2006**. Delinquent interest will be waived.

| | | |
|----------------------|-----|----------|
| TO PAY 1ST HALF ONLY | PAY | 4,492.98 |
|----------------------|-----|----------|

| | | |
|----------------------|-----|----------|
| TO PAY FULL YEAR TAX | PAY | 8,985.96 |
|----------------------|-----|----------|

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



9532097004



Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

2006 9532097004 1 00000089859600000449298

**MANUFACTURED HOME COMMUNITIES INC.
DBA SEDONA VENTURE WATER & SEWER CO.**

1810

Pay to the order of

Ross D. Jacobs - Yavapai County Treasurer

Date

9-28-06

11-35/1210 CA

Four thousand four hundred ninety-two & 98/100

\$ 4492.98

Dollars

Bank of America

San Francisco, California

For

P# 953 20 970 4 1st installment
2006 Property Tax

Joseph Lueck

⑈001810⑈ ⑆121000358⑆ 12333 10619⑈

660010 (100106)
787

Structures

(Building, Fences, etc.)

20'x14' laboratory/office

330'x5 1/2' chain link fence

OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)

Laboratory Equipment:

Grieve Laboratory Oven

Acculab Scale

Nova Microscope

Hach Colorimeter

Fisher Scientific Centrifuge

Gast Vacuum Pump

Hach Dissolved Oxygen Meter

Verbatim Auto Dialer

Isco Ultrasonic Flow Meter

Portable Generator

Gould 2 HP submersible portable pump

EBARA 2 HP 3 phase spare Waste Pump

Teel 2 HP 1 phase Spare Transfer Pump

Teel 3/4 HP pump/motor

Teel 2 HP 1 phase spare Backwash Pump

.5 HP submersible portable pump

Two passenger Golf Cart

Rate Base Changes

In an attempt to update the filings of the Sedona Venture to match the most recent decision by the Arizona Corporation Commission, MHC is adopting the adjustments and carrying forward the report design congruent with information provided by Mobile Parks West. In any instance that information was not available or incomplete due to the sale of the utility, appropriate ratios have been applied consistent with previous filings and decisions.

According to Decision #59587 on March 26, 1996, the Arizona Corporation Commission has agreed with the following adjustments which were recommended by the December 1995 staff report.

(Note: Decision #59587 was reported for FY ending 5/31/95)

Sewer

| | | | |
|-----------------|---|-------------------------------------|------------|
| 05/31/1995 | | | |
| | Plant in Service | | 650,636.00 |
| | Non Depreciable Plant | | 15,571.00 |
| | Depreciable Plant | | 635,065.00 |
| | Depreciation at 5% (5/12) | | 13,230.52 |
| | Total Accumulated Depreciation | | 262,575.00 |
| 12/31/1995 | | | |
| | Plant in Service | | 650,636.00 |
| | Non Depreciable Plant | | 15,571.00 |
| | Depreciable Plant | | 635,065.00 |
| | Depreciation at 5% (7/12) | | 18,522.73 |
| | Total Accumulated Depreciation | | 281,097.73 |
| 12/31/1996 | | | |
| | Plant in Service | | 650,636.00 |
| | Non Depreciable Plant | | 15,571.00 |
| | Depreciable Plant | | 635,065.00 |
| | Depreciation at 5% | | 31,753.25 |
| | Total Accumulated Depreciation | | 312,850.98 |
| 12/31/1997 | | | |
| | Plant Additions | | |
| | ##### MPW - Back-up Pumps | | 4,073.00 |
| | Plant in Service | | 654,709.00 |
| | Non Depreciable Plant | | 15,571.00 |
| | Depreciable Plant | | 639,138.00 |
| | Depreciation at 5% | | 31,956.90 |
| | Total Accumulated Depreciation | | 344,807.88 |
| Plant Additions | | | |
| 380 | 770520 | 5/98 Sewer Cleanout Machine | 2,504.95 |
| 380 | 770520 | 5/98 Lab Equipment | 1,862.21 |
| 390 | 770520 | 12/98 Desks for WWTP | 294.24 |
| 390 | 770520 | 12/98 Desks for WWTP | 505.69 |
| 354 | 772010 | 1/98 Sewer Upgrades | 7,031.31 |
| 354 | 772010 | 1/98 Sewer Upgrades | 1,065.00 |
| 354 | 772010 | 1/98 Sewer Upgrades | 3,962.19 |
| 354 | 772010 | 1/98 Sewer Upgrades | 995.80 |
| 380 | 772010 | 3/98 Sewer Plant Blower | 2,128.17 |
| 354 | 772010 | 4/98 Sewer Repairs | 9,294.19 |
| 380 | 772010 | 4/98 Auto Dialer - WWTP | 1,540.74 |
| 380 | 772010 | 4/98 Digester Blower | 1,614.40 |
| 354 | 772010 | 8/98 Lift Station #1 Upgrades | 51,426.83 |
| 354 | 772010 | 8/98 Lift Station #1 Upgrades | 1,827.50 |
| 380 | 772010 | 9/98 Sewer Pumps | 6,554.22 |
| 380 | 772010 | 11/98 Actuator for WWTP | 1,197.38 |
| 354 | 772010 | 11/98 Lift Station #1 Upgrades | 47,416.82 |
| 354 | 772010 | 11/98 Sewer Upgrades | 3,718.34 |
| 354 | 772010 | 11/98 Sewer Upgrades | 1,971.03 |
| 354 | 772010 | 12/98 Repair Lift #1 | 3,835.17 |
| 354 | 772010 | 12/98 Repairs to WWTP | 1,932.10 |
| 354 | 772010 | 12/98 Dry wall - Lab | 33.08 |
| 380 | 772010 | 12/98 Flow meter for WWTP | 1,093.44 |
| 380 | 772010 | 12/98 New Blower | 7,634.35 |
| 360 | 772010 | 12/98 Water main flow meter | 3,277.00 |
| 364 | 772010 | 12/98 Chart recorder | 2,407.50 |
| 12/31/1998 | | | |
| | Plant in Service | | 654,709.00 |
| | Non Depreciable Plant | | 15,571.00 |
| | Depreciable Plant | | 639,138.00 |
| | Depreciation at 5% | | 31,956.90 |
| | Plant additions - 1998 | | 167,123.65 |
| | Depreciation at 2.5% - half-year convention | | 4,178.09 |
| | Total 1998 Depreciation | | 36,134.99 |
| | Total Accumulated Depreciation | | 380,942.87 |
| Plant Additions | | | |
| 371 | | flush pump/eval.pump station-WWTP | 200.00 |
| 371 | | 10hp pump/wwtp | 791.84 |
| 397 | | elect. rep./spare fuses for cabinet | 230.72 |
| 395 | | rewind mixer motor-WWTP | 708.10 |
| 395 | | mixer motor | 335.44 |
| 397 | | fuses -wwtp | 14.67 |
| 397 | | fuses, lift station #3 | 40.73 |
| 397 | | Wendy Ferguson | 22.06 |
| 397 | | Wendy Ferguson | 6.93 |
| 398 | | tuff shed/wwtp | 170.88 |
| 398 | | tuff shed from 625-770520 | 1,465.00 |
| 380 | | filters for blower WWTP | 1,420.88 |
| 380 | | blower repair/WWTP | 3,080.45 |
| 380 | | WWTP BLOWER | 798.22 |
| 12/31/1999 | | | |
| | Plant in Service | | 821,832.65 |

| | | | |
|-----------------|---|------------|------------|
| | Non Depreciable Plant | 15,571.00 | |
| | Depreciable Plant | 806,261.65 | |
| | Depreciation at 5% | 40,313.08 | |
| | Plant additions - 1999 | 9,286.92 | |
| | Depreciation at 2.5% - half-year convention | 232.17 | |
| | Total 1999 Depreciation | 40,545.26 | |
| | Total Accumulated Depreciation | | 421,488.13 |
| Plant Additions | | | |
| 07/24/2000 | 395 power operated equipment | 627.31 | |
| 08/30/2000 | 354 electric tie from WWTP to lift station | 12,479.00 | |
| 10/25/2000 | 394 WWTP lab equipment | 2,060.54 | |
| 12/31/2000 | Plant in Service | 831,119.57 | |
| | Non-depreciable Plant | 15,571.00 | |
| | Depreciable Plant | 815,548.57 | |
| | Depreciation at 5% | 40,777.43 | |
| | Plant additions - 2000 | 15,166.85 | |
| | Depreciation at 2.5% - half year convention | 379.17 | |
| | Total 2000 Depreciation | 41,156.60 | |
| | Total Accumulated Depreciation | | 462,644.73 |
| Plant Additions | | | |
| 05/14/2001 | 371 pumping equipment | 391.30 | |
| 02/13/2001 | 389 other plant & misc equip | 911.50 | |
| 07/25/2001 | 389 other plant & misc equip | 4,229.65 | |
| 12/31/2001 | Plant in Service | 846,286.42 | |
| | Non-depreciable Plant | 15,571.00 | |
| | Depreciable Plant | 830,715.42 | |
| | Depreciation at 5% | 41,535.77 | |
| | Plant additions - 2001 | 5,532.45 | |
| | Depreciation at 2.5% - half year convention | 138.31 | |
| | Total 2001 Depreciation | 41,674.08 | |
| | Total Accumulated Depreciation | | 504,318.81 |
| Plant Additions | | | |
| 12/31/2002 | Plant in Service | 851,818.87 | |
| | Non-depreciable Plant | 15,571.00 | |
| | Depreciable Plant | 836,247.87 | |
| | Depreciation at 5% | 41,812.39 | |
| | Plant additions - 2002 | | |
| | Depreciation at 2.5% - half year convention | 0.00 | |
| | Total 2002 Depreciation | 41,812.39 | |
| | Total Accumulated Depreciation | | 546,131.20 |
| Plant Additions | | | |
| 12/31/2003 | Plant in Service | 851,818.87 | |
| | Non-depreciable Plant | 15,571.00 | |
| | Depreciable Plant | 836,247.87 | |
| | Depreciation at 5% | 41,812.39 | |
| | Plant additions - 2003 | | |
| | Depreciation at 2.5% - half year convention | 0.00 | |
| | Total 2003 Depreciation | 41,812.39 | |
| | Total Accumulated Depreciation | | 587,943.59 |
| Plant Additions | | | |
| 12/31/2004 | | 3,963.33 | |
| | Plant in Service | 851,818.87 | |
| | Non-depreciable Plant | 15,571.00 | |
| | Depreciable Plant | 836,247.87 | |
| | Depreciation at 5% | 41,812.39 | |
| | Plant additions - 2004 | 3,963.33 | |
| | Depreciation at 2.5% - half year convention | 99.08 | |
| | Total 2004 Depreciation | 41,911.48 | |
| | Total Accumulated Depreciation | | 629,855.07 |
| Plant Additions | | | |
| 12/31/2005 | | 3,963.33 | |
| | Plant in Service | 855,782.20 | |
| | Non-depreciable Plant | 15,571.00 | |
| | Depreciable Plant | 840,211.20 | |
| | Depreciation at 5% | 42,010.56 | |
| | Plant additions - 2004 | 3,963.33 | |
| | Depreciation at 2.5% - half year convention | 99.08 | |
| | Total 2004 Depreciation | 42,109.64 | |

| | | |
|---|---|------------------|
| Total Accumulated Depreciation | | 671,964.71 |
| Plant Additions | | |
| | | 3,963.33 |
| 12/31/2006 | Plant in Service | 859,745.53 |
| | Non-depreciable Plant | <u>15,571.00</u> |
| | Depreciable Plant | 844,174.53 |
| | Depreciation at 5% | 42,208.73 |
| | * Plant additions - 2006 | 49,766.49 |
| | Depreciation at 2.5% - half year convention | <u>1,244.16</u> |
| | Total 2004 Depreciation | <u>43,452.89</u> |
| Total Accumulated Depreciation | | 715,417.60 |
| * Added new well in 2006 \$53729.82-3963.33 | | |